

During this presentation, Eddy Vataru, Portfolio Manager for the Osterweis Total Return Fund, will discuss the current economic environment and the tightrope the Fed is walking as it tries to manage inflation. Additionally, he will explain why he believes the economic headwinds that were a focus in 2022 created tailwinds that could benefit the investment grade market for years to come.

He believes that after the Fed ends its tightening cycle, elevated yields will allow bond investors to earn higher income than has been possible for most of the past decade. Moreover, the Fed may compound its initial policy error of excessive quantitative easing by adopting an overly tight policy in its fight against inflation. In this event, the Fed may trigger a recession and rates will likely fall, boosting bond returns.

During the session he will also discuss the unique characteristics of each investment grade sector, including corporates, mortgages, and Treasuries, and discuss which ones are likely to perform best given the evolving conditions.

### **Learning Objectives**

1. Understand the near-term and long-term drivers of inflation.
2. Learn how each sector of the investment grade market is likely to respond to the changing economic conditions
3. Identify investment opportunities in the fixed income market